

Continuing Disclosure  
Annual Report  
For  
Fiscal Year Ending June 30, 2005

**Airport-Larkfield-Wikiup Sanitation Zone**

California Statewide Communities  
Development Authority  
Water and Wastewater Revenue Bonds  
(Pooled Financing Program)  
Series 2005C  
Dated: September 7, 2005

January 2006

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## **Introduction**

The purpose of this report is to provide information to the Nationally Recognized Municipal Securities Information Repositories (NRMSIR) in order to comply with the provisions contained in the Continuing Disclosure Certificate (the “Disclosure Certificate”) for the California Statewide Communities Development Authority Water and Wastewater Revenue Bonds (Pooled Financing Program), Series 2005C, entered into between the Airport-Larkfield-Wikiup Sanitation Zone of the Sonoma County Water Agency (the “Participant”) and Union Bank of California, National Association (“Trustee”). The Disclosure Agreement was executed and delivered by the Participant and the Trustee for the benefit of the Bondholders and in order to assist the participating Underwriters in complying with S.E.C. Rule 15-c2-12(b)(5).

## **Audited Financial Statements**

The audited financial statements of the Airport-Larkfield-Wikiup Sanitation Zone of the Sonoma County Water Agency for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, can be found under Appendix A.

## **Number of Connections by Classification of User**

The table below shows the current number of connections/Dwelling Unit Equivalents (“DUEs”) of the System by classification of user.

### **Airport-Larkfield-Wikiup Sanitation Zone Number of Connections and DUEs by Classification of User As of June 30, 1999 to 2005**

| <b>Year</b>      | <b>Single<br/>Family<br/>Residential</b> | <b>Multiple<br/>Family<br/>Residential</b> | <b>Commercial<br/>Institutional</b> | <b>Other</b> | <b>Total All<br/>Users</b> |
|------------------|--|--|-------------------------------------|--------------|----------------------------|
| 1999 Connections | 1,483                                    | 101  | 125                                 | 14           | 1,723                      |
| 1999 DUEs        | 1,488                                    | 560  | 612                                 | 288          | 2,948                      |
| 2000 Connections | 1,541                                    | 73   | 134                                 | 11           | 1,759                      |
| 2000 DUEs        | 1,553                                    | 526  | 687                                 | 248          | 3,014                      |
| 2001 Connections | 1,611                                    | 68   | 145                                 | 19           | 1,843                      |
| 2001 DUEs        | 1,601                                    | 511  | 690                                 | 299          | 3,101                      |
| 2002 Connections | 1,618                                    | 78   | 145                                 | 19           | 1,860                      |
| 2002 DUEs        | 1,620                                    | 607  | 690                                 | 299          | 3,216                      |
| 2003 Connections | 1,618                                    | 67   | 165                                 | 19           | 1,869                      |
| 2003 DUEs        | 1,620                                    | 563  | 777                                 | 299          | 3,259                      |
| 2004 Connections | 1,635                                    | 67   | 172                                 | 19           | 1,893                      |
| 2004 DUEs        | 1,635                                    | 563  | 755                                 | 299          | 3,252                      |
| 2005 Connections | 1,643                                    | 86   | 181                                 | 14           | 1,924                      |
| 2005 DUEs        | 1,643                                    | 627  | 906                                 | 303          | 3,479                      |

Source: Sonoma County Water Agency

## **Revenues by Class of User**

The table below shows the current revenues by class of user.

### **Airport-Larkfield-Wikiup Sanitation Zone Revenues by Class of User Fiscal Year 2004/05**

| <b>User Class</b>           | <b>Fiscal Year<br/>Revenue</b> | <b>Percentage of<br/>Operating Revenue</b> |
|-----------------------------|--------------------------------|--|
| Single Family Residential   | \$681,845                      | 47%  |
| Multiple Family Residential | 260,126                        | 18%  |
| Commercial/Industrial       | 375,878                        | 26%  |
| Other                       | 125,799                        | 9%   |

Source: Sonoma County Water Agency

## **Five Largest Users**

The table below shows the five largest users of the System based on revenues.

### **Airport-Larkfield-Wikiup Sanitation Zone Largest Users Fiscal Year 2004/05**

|    | <b>User</b>                     | <b>Type of Business</b> | <b>Revenue</b> | <b>Percentage of<br/>Revenue</b> |
|----|---------------------------------|-------------------------|----------------|----------------------------------|
| 1. | Vineyard Creek LP               | Apartments              | \$77,024       | 5.3%                             |
| 2. | County of Sonoma                | Airport                 | 62,258         | 4.3%                             |
| 3. | Lee, Stephen & Susan, et al.    | Residential Units       | 28,552         | 2.0%                             |
| 4. | Lilli Ann Properties            | Residential Units       | 26,755         | 1.9%                             |
| 5. | Mark West Union School District | School                  | 25,298         | 1.8%                             |

Source: Sonoma County Water Agency

## **Summary of Historic Operating Results**

The following table is a summary of operating results of the System. These results have been derived from the Financial Statements but exclude certain non-cash items and include certain other adjustments. The table has not been audited by Sonoma County Water Agency auditors.

### **Airport-Larkfield-Wikiup Sanitation Zone Summary of Historic Operating Results Fiscal Years Ended June 30**

| <b>Description</b>                | <b>2002</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> |
|-----------------------------------|-------------|-------------|-------------|-------------|
| Revenues                          |             |             |             |             |
| User Fees                         | \$1,009,921 | \$1,097,737 | \$1,202,491 | \$1,250,140 |
| Connection Fees                   | \$358,111   | \$274,168   | \$181,540   | \$1,472,660 |
| Interest Earnings                 | \$129,391   | \$67,961    | (\$23,803)  | \$25,730    |
| Other                             | \$0         | \$3,228     | \$4,882     | \$74,483    |
| Total Revenues                    | \$1,497,423 | \$1,443,094 | \$1,365,110 | \$2,823,013 |
| Operating Expenses <sub>(1)</sub> | \$815,802   | \$961,217   | \$1,052,039 | \$1,283,452 |
| System Net Revenues               | \$681,621   | \$481,877   | \$313,071   | \$1,539,561 |
| <b>Total Debt Service</b>         | \$473,385   | \$471,460   | \$470,512   | \$469,283   |
| <b>Coverage Ratio</b>             | 1.44        | 1.02        | 0.67        | 3.28        |

(1) Excludes depreciation and capital expenditures.

Source: Sonoma County Water Agency

## **Reporting of Significant Events**

### **Section 5 of Disclosure Certificate**

Pursuant to the provisions of Section 5(a), the Participant shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Installment Purchase Agreement or its obligations in relation to the Bonds, if material:

- principal and interest payment delinquencies;
- non-payment related defaults; and
- adverse tax opinions or events affecting the tax-exempt status of the Bonds.

Pursuant to the provisions of Section 5(b), whenever the Participant obtains knowledge of the occurrence of a Listed Event, the Participant shall as soon as possible determine if such event would be material under applicable Federal securities laws.

Pursuant to the provisions of Section 5(c), if the Participant determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities laws, the Participant shall promptly file a notice of such occurrence with the Repositories.

### **Significant Events**

No significant events have occurred as of the writing of this report.

## Appendix A

### Audited Financial Statements



## Appendix B

### NRMSIRs

The Continuing Disclosure Annual Report will be disseminated by Digital Assurance Certification LLC (“the Dissemination Agent”) to the following NRMSIRs:

#### **Bloomberg Municipal Repositories**

100 Business Park Drive  
Skillman, NJ 08558  
Phone: (609) 279-3225  
Fax: (609) 279-5962  
Email: [Munis@Bloomberg.com](mailto:Munis@Bloomberg.com)

#### **DPC Data Inc.**

One Executive Drive  
Fort Lee, NJ 07024  
Phone: (201) 346-0701  
Fax: (201) 947-0107  
Email: [nrmsir@dpdata.com](mailto:nrmsir@dpdata.com)

#### **FT Interactive Data**

Attn: NRMSIR  
100 Williams Street  
New York, NY 10038  
Phone: (212) 771-6999  
Fax: (212) 771-7390  
Fax: (212) 771-7391  
Email: [NRMSIR@FTID.com](mailto:NRMSIR@FTID.com)

#### **Standard & Poor’s J. J. Kenny Repository**

55 Water Street  
45<sup>th</sup> Floor  
New York, NY 10041  
Phone: (212) 438-4595  
Fax: (212) 438-3975  
Email: [nrmsir\\_repository@sandp.com](mailto:nrmsir_repository@sandp.com)